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SUBJECT: INTRODUCING THE EU, PART VII: EU-U.S. COOPERATION UNDER THE  
TRANSATLANTIC DIALOGUE (THE NTA PROCESS)

REFS: (A) 2008 BRUSSELS 1790;  
(B) 2008 BRUSSELS 1825;  
(C) 2008 BRUSSELS 1880;  
(D) BRUSSELS 108;  
(E) BRUSSELS 276  
(F) BRUSSELS 391

SUMMARY AND INTRODUCTION  
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11. (U) Policy consultation and coordination between the United States and European Union has grown enormously over the past decade, and in many respects now rivals the level of discussion we have with such key allies as the UK, Germany and Japan. Our policy relationship with the EU differs from those others, however, in two key respects:

-- The multi-tiered nature of dealing with the EU (where discussions in Member State capitals are a critical complement to dealing with the Brussels institutions); and

-- The EU emphasis on "structured dialogues," itself a legacy of the days when EU officials hoped we would talk to them at least once a semester, and a reflection of their need for advance scheduling because of their crowded meeting agenda.

12. (SBU) This cable focuses on the often-confusing raft of "structured dialogues" we have with the EU. These dialogues are a necessary part of our relationship, helping ensure continuity in our discussions, although they are by no means sufficient. Impromptu and informal visits, phone calls, emails and digital video-conferences are essential to ensure compatibility with EU policies, especially as we increasingly work together to respond to fast-breaking events.

13. (U) The New Transatlantic Agenda has served as the framework for structured U.S.-EU cooperation since 1995. Joint action under the NTA addresses common interests in almost all areas. Cooperation takes place at several levels, including an annual Summit. As detailed below, the NTA structures encompass a Senior Level Group, a Task Force, a number of working-level "troikas" on geographic and functional foreign policy issues, as well as other formal channels for discussing law enforcement and counter-terrorism, economic, energy and environment issues, including the Transatlantic Economic Council (TEC).

14. (U) This message is the final in a series updating our EU cables, meant to help officers in positions requiring a good knowledge and understanding of the EU machinery. Other cables in this series discuss the history of the European Union (Ref A); the chief political institutions of the EU (Commission, Council and Parliament - Ref B), the EU Presidency and the European Council (Ref C); the judicial, financial, supervisory and advisory bodies (Ref D); the EU structure, treaties and legal order (Ref E), and the enlargement process (Ref F).  
End Summary and Introduction.

## FRAMEWORK FOR COOPERATION

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¶5. (U) In 1990, the United States and the European Community (now Union) adopted the Transatlantic Declaration, which took stock of our expanding common agenda. The Declaration provided for semi-annual U.S.-EU Summits, ministerial meetings and Cabinet/Commission consultations. It established semi-annual meetings of U.S. and EU Political Directors, and a network of 20 working groups (called "troikas") on geographic and functional foreign policy issues.

¶6. (U) In response to the dynamics of an "ever closer union" in Europe, and to help overcome the tensions caused by differences over the Balkans, the U.S.-EU Summit in Madrid in 1995 expanded on the Declaration with the New Transatlantic Agenda (NTA) as a new framework for a cooperation that had gradually deepened and broadened. The NTA set out four broad objectives for U.S.-EU cooperation:

-- Promoting peace and stability, democracy and development around the world: this included promoting peace in the Middle East; helping Russia and the Central European countries in strengthening their democracies; acting jointly on humanitarian assistance, and preventive diplomacy;

-- Responding to Global Challenges: joint efforts to combat international crime and narcotics; a commitment to protect the environment by taking coordinated initiatives; setting up an early warning system to combat communicable diseases;

-- Contributing to the expansion of world trade and closer economic relations: support for the WTO and strengthening the multilateral trade system; the creation of a New Transatlantic Marketplace to further liberalize transatlantic economic ties;

-- Building Bridges across the Atlantic: expanding commercial, cultural, educational and scientific exchanges to ensure public understanding of and support for the transatlantic relationship. The Transatlantic Business Dialogue was an early example of such links, playing an important role in improving the flow of trade, investment, capital and technology across the Atlantic.

¶7. (U) Although the NTA and its Joint EU-U.S. Action Plan replaced the 1990 consultation framework in large part, the Summits, ministerial meetings, Political Directors meetings and troikas were retained. As described below, the NTA also established additional formal structures -- including the "Senior-Level Group" and "Task Force" -- to provide political guidance to and oversee this expanded engagement.

## THE SUMMITS

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¶8. (U) The U.S.-EU Summits between the President, the head of state/government of the country holding the EU Council Presidency and the President of the European Commission provide the overarching policy guidance for transatlantic collaboration. We reduced the "formal" number of Summits to one per year in 2001, although in both 2005 and again in 2009 this was supplemented by a meeting between the President and the heads of state and government of all EU Member States.

¶9. (SBU) Over the past few years, Summit statements -- while not on best-seller lists -- have been instrumental in directing our officials to cooperate in key areas, including counter-terrorism, data privacy, energy and climate change. The agenda-setting power of these statements makes it useful for us to enter Summit preparations with a bulleted list of actions we want from Brussels in each of the key areas of regional stability, justice and home affairs and economic issues. The Summits have also provided an excellent hook for speeding agreements between the two sides - as with the Aviation Agreement of 2007.

¶10. (U) If and when the EU Treaty of Lisbon comes into play, the EU side of the Summit table will change dramatically. The key interlocutor of the U.S. President will be the Permanent President

of the European Council, a new position to be established under the treaty. The holder of the job, who will be appointed by EU leaders for a two-and-a-half-year term (renewable), will represent the EU externally, at the head of state/government level, particularly on matters related to Common Foreign and Security Policy (CFSP). While the EU still has to determine how exactly the new treaty will affect the composition of its Summit delegation, we expect the six-month rotating Presidency of the Council to retain a seat at the table. The rotating Presidency, which will chair the specialized EU Council meetings (e.g., environment, JLS, etc.) will indeed play a key role in the formulation of EU positions at the Summit.

#### OVERALL MANAGEMENT OF THE RELATIONSHIP

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¶11. (U) In addition to the Summits, U.S. government agencies and their EU counterparts hold a large number of formal meetings each semester, a period currently coinciding with the rotating Presidency of the EU Council. (The Czechs currently chair the Council; they will be followed by Sweden for the second half of 2009 and Spain and Belgium in 2010.) The EU side is generally represented by the "troika," which includes the Presidency, the European Commission and the Council Secretariat. The Commission leads on issues (generally economic) of Community competence, while the Presidency, supported by the Secretariat, leads on most political and justice and home affairs issues.

¶12. (U) As noted, the NTA created a Senior Level Consulting Group (SLG), which has overarching responsibility for managing the transatlantic relationship and for agreeing the key policy themes for the U.S.-EU Summits. The SLG is meant to meet at least two times during each six-month Presidency of the EU Council and to focus on a range of issues of major concern: e.g., global issues, the regional issues of the moment, counter-terrorism and the trade agenda. On the U.S. side, the SLG is co-chaired by the Undersecretaries of State for Political and Economic/Agricultural Affairs. In part because the Under Secretaries now have more regular contact with their EU counterparts, the SLG has fallen into some disuse, and has met the last two years only on the margins of the UN General Assembly.

¶13. (U) A Task Force made up of officials from the U.S., the EU Presidency, and the Commission also plays a key role in managing all aspects of Transatlantic cooperation, and leads in preparing Summit documents, in accordance with SLG guidance. The Task Force meets three to four times per EU Council Presidency, often by digital video conference. In general, the Task Force will discuss any issue of concern to either side and thus can serve an "early warning" function. Although Task Force participants are not responsible for many of these issues, their role is to ensure that the responsible offices are addressing them and, if necessary, to devise alternative routes to resolve any impasses. The Task Force is chaired on the U.S. side by the Department of State's Principal Deputy Assistant Secretary for European Affairs and includes the NSC Director for EU Affairs. On the EU side, both the Task Force and the SLG are chaired by a representative of the rotating Council Presidency, usually the head of the MFA North Americas Department, with support from the European Commission's Director for American Affairs and his Council Secretariat counterpart.

#### POLITICAL DIALOGUE: MEETINGS AT ALL LEVELS

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¶14. (U) The many foreign policy issues on our common agenda are addressed regularly at all levels. At the top, the U.S. and EU generally hold two Foreign Ministers meetings during each EU Presidency. The EU is represented by the Presidency foreign minister, the External Relations (RELEX) Commissioner and the High Representative for Common Foreign and Security Policy (CFSP)/Secretary General of the Council. There is also traditionally an annual meeting with all Member State FMs, plus the External Relations Commissioner and the CFSP High Rep/Council SG, held during the UNGA session in New York. EU Member States and institutions have yet to determine how changes in its leadership structure related to the pending Lisbon Treaty will affect their participation in ministerial (and Summit-level meetings) with us. For example, the creation of the position of High Representative for Foreign Affairs and Security Policy (combining the current

responsibilities of the CFSP High Rep and the RELEX Commissioner) would logically reduce the number of our interlocutors and enable the EU to really speak "with a single voice."

¶15. (U) The Political Directors (chaired by the Assistant Secretary of State for European and Eurasian Affairs and the current EU Presidency MFA counterpart) meet once per EU Presidency, generally in the first month, to review international political issues and stay in touch as events warrant throughout the Presidency. This consultation usually includes a lunch with the Political Directors of all Member States and a restricted meeting with the Presidency, upcoming Presidency, Council and Commission representatives.

#### THE FOREIGN POLICY TROIKAS

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¶16. (U) The 15-20 "troikas" -- working-level consultations between U.S. State Department, EU Presidency, Commission and Council experts -- operate relatively independently, coordinated by the Office of EU Affairs (EUR/ERA) at State. Troikas are area-specific (Middle East, Latin America, Asia, Africa, various parts of Europe), or functional (arms control, non-proliferation, human rights, UN, consular, counter-terrorism). (Note: In EU parlance the "troika" formation refers to a meeting at any level in which the Presidency head of delegation is assisted by the Commission and the Council Secretariat; the future Presidency is also often represented. End note)

¶17. (U) The foreign policy troika names match the corresponding Council working groups of officials from Member State capitals, which are chaired by Presidency officials. While the EU Council working groups meet frequently during each presidency, reporting on major issues in their region to the EU's Political and Security Committee (PSC), the U.S.-EU formations generally meet once a semester. With the U.S.-side led at the Assistant Secretary or Deputy Assistant Secretary level, these meetings offer an opportunity for in-depth discussion of key regions/issues, in which we can share analysis of events, describe our respective responses, and identify ways to better coordinate our actions. In general, these discussions are most effective if supplemented by digital video-conferences, followed up with frequent contact at the working level, and used to inform the deliberations of the Ministerials, Senior Level Group and Task Force.

#### OTHER DIALOGUES

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¶18. (U) The United States and EU undertake a large number of other consultations on areas such as justice and home affairs, counter-narcotics, the environment, S&T, energy, development assistance, competition policy, and financial market policy, in addition to the "formal" NTA and troika meetings.

#### JUSTICE AND HOME AFFAIRS AND COUNTER-TERRORISM

¶19. (U) Cooperation in Justice and Home Affairs has become a key feature of our relations with the EU. We have high-level and regular troika meetings to discuss border protection issues, visa-free travel of EU and U.S. citizens, information sharing for law enforcement purposes, U.S. work with Eurojust and Europol pursuant to the U.S.-EU international agreements, combating terrorism and organized crime in line with the EU Counter-terrorism Strategy. A number of EU-U.S. agreements have been concluded in the JHA area, including the Agreements on Extradition and on Mutual Legal Assistance (MLAT), the Agreement on the transfer of Passenger Name Records (PNR) and the Agreement on Swift Terrorist Finance Data.

¶20. (SBU) A number of problems in this area stem from different perceptions of how our governments' law enforcement agencies protect personal data privacy. To address this difference in perception, we established an informal "High Level Contact Group" (HLCG) to develop a set of common principles on data protection. The HLCG includes representatives of the departments of Homeland Security, Justice and State; its work relates to concerns of the Treasury and Commerce departments as well. This work is on-going, but may lead to an agreement between us to ensure that data protection concerns do not

interrupt necessary law enforcement and counter-terrorism information sharing. The EU side is politically constrained from concluding an agreement before the Lisbon Treaty enters into force as that Treaty will give the European Parliament greater say in these issues.

¶21. (SBU) The troikas on counter-terrorism, terrorism finance and consular issues are still more platforms for policy dialogue and exchange of best practices. From 2004-2008, U.S. and EU terrorist financing sanctions practitioners met under each EU Presidency to explore issues related to freezing terrorist assets in a workshop format. From 2009, these workshops will take place annually and continue to address operational issues related to countering terrorist financing. Separate U.S.-EU troika meetings continue to take place once per EU Presidency to update each other on our respective developments in terrorism, terrorist financing, and consular issues. Informal meetings take place ad hoc between experts (in person or virtually) to trouble-shoot common obstacles to effective counter-terrorism cooperation and consular matters.

#### TRANSATLANTIC ECONOMIC INTEGRATION

¶22. (U) Although political and JHA cooperation has intensified enormously over the past decade as the EU's competence in these areas has expanded, coordinating our economic relationship has always been a cornerstone of U.S.-EU ties because of our deep integration (over \$3 trillion in two-way investment), our leading roles in global economic governance and our numerous trade irritants.

¶23. (SBU) The SLG and Task Force structures created by the NTA quickly proved insufficient to manage trade disputes since the participants did not have authority over trade policy. To address this problem, in 1998, we established the Transatlantic Economic Partnership (TEP), chaired by the Assistant U.S. Trade Representative for Europe and the EU DG Trade counterpart. Among other things, the TEP helped establish the Regulatory Cooperation Guidelines, the Regulatory Cooperation Roadmap, and, in 2002, the Positive Economic Agenda (PEA).

¶24. (SBU) The TEP process became less important after the launch of the WTO Doha negotiations, and the 2004 Summit directed officials to undertake extensive stakeholder consultations on ways to improve our economic relationship. In part as a result of these consultations, at the 2007 U.S.-EU Summit, President Bush, German Chancellor Merkel (then the EU President) and Commission President Barroso signed the "Framework for Advancing Transatlantic Economic Integration" to advance collaboration in six major areas: regulatory cooperation, capital markets integration, investment, innovation, IPR protection and transport security.

¶25. (U) The Framework also established the Transatlantic Economic Council (TEC), a new ministerial-level body to oversee, guide and accelerate implementation of the Framework work program. The TEC is chaired by the Deputy National Security Advisor for International Economic Affairs and a Commission Vice-President, currently Enterprise and Industry Commissioner Guenther Verheugen. The TEC, which has met three times (November 2007 in Washington, May 2008 in Brussels, December 2008 in Washington), brings together the most senior leaders on either side who have responsibility for issues in the Framework. On the U.S. side, the Secretaries for Treasury, Commerce, Agriculture, Health and Human Services, Labor and many agency heads have attended. On the EU side, the permanent members of the TEC in addition to the EU Co-chair are the Commissioners for External Relations (currently Ferrero-Waldner), for Trade (Ashton) and for Internal Market and Services (McCreevy). Other Commissioners can participate upon invitation or upon their own request.

¶26. (U) A number of U.S.-EU working groups, some pre-existing, now report regularly to the TEC:

-- The High Level Regulatory Cooperation Forum, established in 2005, brings together the heads of all main U.S. and EU regulatory agencies to share best practices in regulation and in cooperating with one another. Among other things, the HLRCF led to the establishment of a Toy Safety Working Group of Consumer Product



Safety Commission and DG Consumer Affairs experts, which meets regularly, often by DVC.

-- The U.S.-EU Financial Markets Regulatory Cooperation Dialogue (FMRD), co-chaired by Treasury and DG MARKT, reports regularly on efforts to minimize regulatory problems in financial markets, including in accounting standards, insurance, and securities markets.

-- The U.S.-EU IPR Enforcement Working Group works closely with industry to promote IPR enforcement in third countries, notably, China, Russia and Latin America.

-- For investment, the first TEC launched a formal dialogue aimed at reducing barriers to transatlantic investment and promoting open investment regimes globally. The U.S.-EU Investment Dialogue has met well over a dozen times, often by video-conference, generating among other things an Open Investment Policy Statement for the 2008 Summit and coordinated efforts to reduce specific barriers in target countries.

-- Finally, on trade and security, the long-established Joint Committee on Customs Cooperation (JCCC) now regularly informs the TEC co-chairs on progress in facilitating trade flows despite increased security standards.

¶27. (U) The TEC also includes a Group of Advisers, consisting of the co-chairs of the main transatlantic dialogues (TLD, TACD, TABD; see below) to reach out to the broader stakeholder community and to give a voice to their concerns.

#### ENERGY AND ENVIRONMENT

¶28. (U) Over the past few years, we have been intensifying our cooperation in the energy field through several agreements. The 2005 EU-U.S. Summit adopted a Declaration on energy security, energy efficiency, renewables and economic development to set tighter goals for energy efficiency and to increase the share of alternative energy. The 2007 U.S.-EU Summit gave a further stimulus to the bilateral dialogue with a Joint Statement on Energy Efficiency, Security and Climate Change.

¶29. (U) At their 2006 Summit in Vienna, the EU and the U.S. established an EU-U.S. High Level Dialogue on Climate Change, Clean Energy and Sustainable Development to build on existing bilateral and multilateral initiatives and further advance implementation of the G-8 Gleneagles Plan of Action. The Joint Statement on Energy Security and Climate Change adopted at our 2007 Summit further underlined our mutual interest in tackling climate change. The U.S. and the EU maintain regular bilateral contacts on environmental issues to promote a better understanding of each other's policies and legislation.

#### S&T AND EDUCATION

¶30. (U) The EU-U.S. Science and Technology Agreement (entered into force in 1998, renewed in 2004 and again in 2009) is the key instrument for expanding transatlantic scientific cooperation in areas where the EU and the U.S. are doing some of the most advanced research in the world; e.g., environmental science, information and communication technologies, cleaner energy sources, biotechnology and nanoscience.

¶31. (U) The EU-U.S. Higher Education and Training Agreement, launched in 1995 and renewed in 2006 for an 8-year period, is intended to encourage innovative cooperation projects between EU and U.S. educational institutions, in particular through joint study programs that provide a framework for mobility for students wishing to spend part of their studies on the other side of the Atlantic. Educational links between the EU and the U.S. were further strengthened in 2004 with the launch of Erasmus Mundus, an EU program supporting European Masters courses and scholarships for graduates and scholars from all over the world, as well as partnerships and exchanges with higher education institutions outside the EU.

#### DEVELOPMENT

¶32. (SBU) In addition to all the above, the U.S. and EU are now exploring creation of a formal development policy dialogue, which should both bring together the major agencies involved in development policy (including in the U.S., State, AID, MCC, Treasury, USTR) to ensure overall policy coherence between the world's two biggest donors, as well as regular consultations in the field to improve the coordination of delivery.

#### FOSTERING CIVIL SOCIETY COOPERATION

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¶33. (U) In addition to this long list of government policy dialogues, a number of people-to-people dialogues were set up under the NTA to enable various segments of civil society to become involved in policy-making by presenting recommendations to governments on matters that concern them and to help foster communication between the U.S. Congress and the European Parliament. These dialogues, intended to "build bridges across the Atlantic," include the Transatlantic Business Dialogue (TABD), the Transatlantic Legislators Dialogue (TLD), the Transatlantic Consumers Dialogue (TACD), the Transatlantic Environmental Dialogue (TAED), and the Transatlantic Labor Dialogue (TALD), although the last two have not met for over a decade.

#### COMMENT

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¶34. (SBU) Parallel to the EU's growth and expanding responsibilities has come the increasingly institutionalized mechanism of consultation and cooperation with the U.S. The expanded 1995 NTA gives us the means to address common interests in almost all areas. Beyond the U.S.-EU annual Summits, SLG meetings, TEC and Troikas are the daily consultations between Brussels and Washington, most of which pass through the U.S. Mission to the EU. Because of the EU's unique structure, our relations cannot be centered on any one player. The top-level fora such as the TEC are useful to discuss both our short-term economic priorities and longer-term, strategic issues in a forthright and productive manner; however, it is important that they demonstrate concrete results.

¶35. (SBU) Accomplishing our objectives with the EU requires the preservation of both formal and informal approaches and effective interaction with the Commission, the Member States, the Council and the CFSP High Rep, the European Parliament, civil society and the press. In order to be effective we must be aware of the capabilities and constraints of a most complex partner. The tools are labor-intensive and require that we pay attention to process; if effective cooperation ensues, it is worth the effort. Leadership changes in both the U.S. and in the EU in 2009 (and the attendant expectations from both) offer a good opportunity to combine the best of U.S. and EU means to address joint challenges, including the current financial and economic crisis, with renewed dedication to this vital and inescapable partnership.

MURRAY